G. R. S. IX-5]

Previous references.

1874
~~191~~.
(S. R.)

File No. 7.

Serial Nos. 167.

Later references.

S. R. 7 of 74 & 8 to 10.

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 167.

& ~~Part~~ B for March 1875.

SUBJECT.

Monopoly of the Sale of Arrack and Rum in the Mysore District

---

Indexed.

Mirza Nazeer Hussain.

W D 88—GPB.—50,000—24-7-16

Memorandum.

Ashtagrama Commissioner's letter No. 617/258 dated the 19th December 1874.

With the foregoing letter the Commissioner of Ashtagrama, forwards an application from the Managing Director of the Ashtagrama Sugar & Rum works Limited for a monopoly of the sale of arrack & Rum in the Ashtagrama Division

2. In paras 2 & 3 of the letter, the Commr. states that a prospectus of the company was issued some time ago setting forth the prospect of Rs. 78,200 profit per annum from the Sugar works, & Rs. 22,950

From

from the Distillery.
but this was modified
to a great extent when
it was ascertained that
the returns from the Sugar
are not at all likely
to be remunerative, and
that if the concern is
to pay at all the profits
must come from the Dis-
-tillery. These were originally
calculated at 50 per cent
per annum on a capital
of Rs 200000 but have
now been reduced to
37 per cent which are to
be obtained from arrack
& rum, the sugar being
manufactured at a loss
of Rs 15400 per annum,
so that the sugar & rum
Factory is described as
being nothing but a
large Distillery expected
to

to turn out 102,200 gallons annually instead of 90,000 as originally estimated.

3. The average consumption of the Mysore District is stated to have lately varied from 21 to 25000 gallons annually, and Major Hay is unable to say where the Company proposes to sell 102,200 Imperial gallons, even granting that the works are in a fit state to turn out such a large quantity of liquor, which the Commr is disposed to question.

4. I have always been of opinion that in a country like Mysore in which Sugar cane cultivation, taking it in the best of its times,

is only of a secondary importance and not the staple crop, such a company as that now projected could not afford to sustain itself on the returns which may be realized from the Sugar branch of its operations unless the latter was coupled with the liquor concern as now proposed.

My chief reason for holding this opinion is that the supply of sugar is essentially fluctuating in its nature, in as much as sugar cane & rice are raised on the same description of land and the area of the former cultivation must expand or contract according

according as the price
of rice is low or remunera-
tive. Moreover, as observed
by Major Hay in the
latter part of para 8
of his letter, the means
of irrigation in the province
which cannot be said
to be ample must restrict
sugar cane cultivation
by practically limiting
the extension of the latter.
I consider it necessary
therefore in the interests
of the company that
so uncertain a source
of its income must be
supplemented by some-
thing less liable to
fluctuations, and I am
disposed to lend my sup-
port to the project which
numbers several native
Gentlemen of known respect

ability & substance
as its sympathisers, &
as such gives the first
indications of a rising
spirit of enterprize
amongst natives, which
deserves to be fostered
& encouraged. But for
this consideration, I
would not recommend
that a monopoly such
as is asked for should
be conceded in opposition
to well established
principles of political
economy as such a course
must necessarily stifle
all spirit of competition,
the absence of which
under the present distillery
system is already seriously
felt and complained of.
To avoid even the semblance
of

of a ~~sleer~~ that would attach to the grant by Govt. of liquor monopolies coupled with other conditions of a purely private character, and to secure to Government as much revenue as possible, which otherwise falls to the lot of a few middle men under the present system, I would suggest that tenders should be openly invited for the supply of liquor to Govt. at fixed rates & the man that offers the lowest rate may be accepted. Look out to the readily available resources of the company & the facilities, which it must have for manufacture of arrack from a large supply of molasses &

This is the system now followed and adopted in Burma under their various Administrations.

and treacle, it ought
to be able to keep all
outside competitors from
the field unless indeed
the manufacture of
sugar is discontinued
& only put forth to secure
an exclusive trade in
arrack. According to
Mr. Dalyell's report on
the Mysore abkarry
system, the statement
attached to my Mems:
No. 378 of 1872-73 herewith
put up, & enquiries I have
since made, the cost of
distilling per gallon
of liquor may safely under
all circumstances be
put down at ans: 14 on the
average. The highest
price which Govt. should,
in my opinion, pay the
contractor for liquor
supplied

supplied to it should
on no account exceed
Rs 1 the gallon, which
must leave the latter
an ample rate of profit.
6 As liquor is now sold
at rates varying from
1 Rupee to 12 annas per
Bottle or Rs 5 to Rs 3-12-0
per gallon, the Govt can
even at the latter rate
obtain a revenue of
Rs 86250 taking the con=
=sumption in the Impose
District at 23000 gallons;
the net revenue to Govt
after paying 1 rupee per
gallon would still be
Rs 63250 or Rs 32338 over
the sum realized in 1872-73.
7. The arrangement
I propose will not in
any material respect
disturb the existing
distillery

on the Duties. Duties the introduction of the Sodor distillery system, it has been calculated that some parts of Drain, that non interference with the selling rates of liquor on the part of Govt. is attended with one or the other of the evils above described more especially after making it into a Govt. monopoly & leaving it in the hands of a few people whose interest it is to emburse liquor their own exorbitant rates.

6. If the Chief Comm. considers that this would be interfering with the holy vows in force the existing state of things may be

it cannot cross the frontiers of Mysore no Toddy can be granted there required by the Dy Comt. of Mysore.

The question of binding the Co. to carry on the manufacture of liquor to a minimum extent is one that should be considered by the Govt.

The points noted in the concluding para of the Asst Collr's letter is of some importance in dealing with this question, but should not let it interfere with the proposed Experiment.

14.1.75

distillery system, for the liquor will be distilled in the Cubbon Duelling under the Superintendence of the Officers of Government & will be sold at that Price to wholesale & retail vendors at the rates proposed by Govt. however on the manufacture or distillery the price at which he has contracted to deliver liquor to Govt. the latter may impose the latter's own minimum & maximum rates, so as to prevent excessive consumption of liquor on the one hand & enriching the dealer at the expense of the people on

be continued permitting
the vendor to dictate
his own rates after pay-
=ing the price the sort
may fix, which in the
accounts may still
appear as excise &
still head duty. It
appears to me that
the adoption of a course
of this kind, while being
in no way objectionable
secures to the company
the benefits of utilizing
their molasses & treacle
which must otherwise
run waste & entail loss.

9 For the present
the lease may be limited
to 3 years only & include
only the Dinapore district

10 In conclusion, I
beg leave to state
that

that the letter under
review was received
in camp direct from
Mysore & had therefore
to be sent to Bangalore
for the former papers
on the subject, which
are herewith put up.
Hence the unavoidable
delay in the submission
of this note.

B Saunders
12/1/75.

This case has been to
long delayed, but I
entirely agree in the
conclusions arrived
at. I recommend
that the Commr
may be authorised
to offer the compn
the monopoly of
Arrack - manufacture
in the Mysore Dis-
trict from 1st April
next for three years

The Govt should
purchase the
Canal from the
Company at 1K
per gallon, &
the Commr. should
be requested to
consider what
should be the
selling price
per gallon fixed
by Govt
JK

Thought best in
favor of the ex-
emption - by the
State for a distil-
lery in the state
& connected with
farm use in any
quantities - the re-
asons are many
fold - the re-
asons circumstances
& the purpose dis-
tillery and the pro-
- hibi-

25000 gallons annually, of which the Govt. will take the whole or such portion as it may require - Should it desire to take a larger quantity, the Co. shall be bound to supply the same at a notice of one month. The contract rate for the supply of the above should, it is considered, not exceed one rupee per gallon, but this point will be considered & reported on by the Court.

II. The Arrack to be supplied to the issue by Govt. to shops and Retail shops at such rates as may be fixed by the Govt. with the approval of Govt. - These rates should have reference to the price of such Arrack as now ordinarily sold at liquor & in the Districts

The foregoing observations
were communicated to
the Comm^r. of Ashlagrau Dr.

A. 060. of M. Arathoons application for the manufacture of arrack in the Mysore District

17

The foregoing observations were communicated to the Commr. of Ashtagram Dn. in this office letter No. 7629-307 dated 20th Jany. 75, and he was requested to offer to the Paulhal-ly Company the terms mentioned in paras a, c, &c. of the letter above quoted & submit his views on the following points.

(a). The rate at which the Govt should buy arrack from the Company.

(b). The rates at which it should be issued to wholesale & retail vendors, and the rates at which the latter should sell to the public.

(c). The dates of supply of liquor to Govt & of payments to be made by it; also the penalty for non-fulfilment of the terms of the Contract.

(d). Compulsory manufacture by the Company of a minimum quantity of Sugar

2. In reply, Major Hay reports that M. Arathoon desires to accept the terms offered, but M. Arathoon's original letter seems to have been miscarried.

3. With reference to point (a) noted above, Major Hay

(Letter No. B/25 dated 7th March 75.

concurs with the Offg. Collr
of Mysore in thinking that one
rupee per gallon is too high
and that 14 As will afford
ample profit to the Company.
The annual loss to Govt. from
purchasing arrack at 1 Rupee
per gallon is estimated at
not less than Rs. 3000/, and
it is very doubtful whether
the Sugar cane growers in the
neighbourhood will derive any
real advantages as the Company
would probably continue as
they now do to get their jaggery
from Kolar. For reasons
stated in paras 3 to 7 of the
Commrs letter, I think that
we may fix the price at 14 As
per gallon as suggested in my
former memo. If the Paulhally
Company, for the encouragement
of whose spirit of enterprise
the Chief Commr, it will be
observed, has sanctioned a
deviation from the prevailing
practice, do not agree to
supply the liquor at that rate,
tenders may be invited as in
the case of the toddy contract.

4. Regarding point (b) — The
retail rates at which vendors
at present sell arrack to the
public vary from 4½ to 5 Rupees
per gallon, and Capt. Shaw

Rs. 3. 8. a per gallon for
arrack issued to vendors.
But I would recommend the
adoption of the rates suggested
by the Commr., viz, Rs. 4/ per
gallon in the town of Mysore
and Rs. 3/8/- in the District.

As regards the rates at
which the liquor should be
sold by vendors to the public,
I think that the former should
not be permitted to sell it
at more than 5 Rs. per gallon
in the town and Rs. 4/8/a
elsewhere. The maximum
& minimum rates proposed
by the Commr. are misleading
and the difference of one
rupee would leave a suffi-
-ciently large margin to en-
-able the vendors to meet
all contingencies and still
get a fair amount of profit.

I would, on the Govt.
undertaking to supply liquor,
make no difference in the
price of arrack when sold
to a wholesale or retail
merchant and subject him
to all penal conditions.
When however, any person
purchases more than 20
gallons at a time, he may
be allowed the present

indulgence to cover top [illegible]
leakage &c.

5. Referring to point (c) – The Offg. Dy. Comm^r considers it inexpedient to fix dates on which liquor should be supplied to Govt, as arrack deteriorates in strength by being kept for a long time. Payments for the same ought, in his opinion, to be made 15 days after supply.

Regarding the penalty, Captn Shaw states that the Contractor should produce a security in a sum of Rs. 5000/.

6. In respect to point (d), Major Hay observes that to have any appreciable effect on the cane cultivation of the Mysore Dist, the Factory should be wholly supplied by cane jaggory from the neighbouring Taluks, of which however, there is no probability.

7. With reference to the point raised in the Comm^rs para 17 – I beg to submit that the Chief Comm^r raised the standard strength of liquor (arrack) to 19° below proof on being informed that the several degrees at which it was distilled formed a fertile source of smuggling and fraud. It was believed that in collusion with the Distillery servants,

rate of 2 annas in the rupee of still head du[illegible]

a high degree of spirit
distilled & passed, and after-
-wards diluted down to the
sanctioned degree of strength.
It was, however, lost sight of
at the time that vendors
receiving it at 19° below proof
can dilute it to the strength
at which their customers
are in the habit of drinking
and be benefited by the
admixture of water.

I would not recom-
-mend for sanction two or
three kinds of liquor, as
such a measure would be
productive of much fraud,
but would fix the standard
strength at 22° below proof
and see that no spirit of
higher degree leaves our
distillery. I think our chance
of seeing that the liquor
leaves the Distillery at the
prescribed strength are greater
than our endeavouring to
secure its sale at not less
than 19° below proof in the
country. There are in fact
several objections to the
issue of a high degree of
liquor, but considering
that we are striving to
improve our Abkary Reve-
-nue System, I think we
may adopt 22° below proof

as a fair criterion, and
this would not ordinarily
drive the customers to purchase
cheap European liquor for
sake of intoxication, which
it is stated, as is not to be
found in liquor of 30° or
even 25° below proof. If
22° below proof is considered
too high, I would ~~xxx~~ on
no account recommend
its being reduced to less than
25° below proof.

8. The question of increase
to the Distillery Establishment,
raised in para 9 of the Offg.
Dy. Commrs letter, may be
considered in connection with
the contemplated general
revision of Distillery ~~Allowances~~
Establishments.

9. In conclusion, I may
add that if the strength
of the liquor is reduced to
less than 19° below proof,
there should not be the slightest
hesitation on the part of
the Pallally Sugar & Rum
Works Company to supply
arrack & Govt. at the rate
of 14 ~~xx~~ annas per gallon.

13/3/78

I entirely agree in the memo & it may be made the basis of an order to the Commr. The question however remains to be considered how soon should the new arrangement be introduced? The Commr may be requested if possible to introduce it from the 1st April next or as soon as possible after. In order that the arrangements for the purchase & sale of the liquor by Govt may be properly supervised at the outset Mr Shanmugavadivelu Pillay may be ordered to Palkulla

I quite concur in the propriety of introducing this experimental measure for 3 years Issue orders as proposed to the Commr.-

1/14 as per gallon should be the rate to Govt.-

I think 22° below proof a judicious strength to fix .. being the mean between 19°, which is rather too high, and 25° which may be a little low.

The rates 4/ Rs & 3/8 Rs should be the Govt sale rates: and the vendors rates should be limited as proposed to 5/ Rs & 4/8 Rs.-

without directing the deputation to Palkulla of an Assistant, the Commr may be duly requested to see that special supervision at the outset is provided for

DBJ 16/3

The foregoing orders were communicated to the Commr of Ashtagram Division in the Chief Commrs Proceedings* noted in the margin.

2. In reply, Major Hay reports that Mr Arathoon has finally agreed to supply to Govt liquor of 22° below proof at 13 Annas per gallon, and that this rate has been settled upon although Mr Davy offered a still lower rate of 12 Annas, but on reference to Mr Arathoon's letter on the subject, copy of which accompanies the Commrs, I find that he is willing to make a deduction of only 6 pies per gallon in the proposed rate of 14 Annas if the spirits be taken at the reduced strength of 22° below proof.

3. Mr Arathoon has also agreed to keep always on hand 2000 gallons of arrack, which the Dy. Commr of Dhyeore considers to be sufficient quantity.

* No. 9242-383 dy. 18th March 75

* letter No 9 dy. 5th April 75

This is a curious mistake apparently on the part of Major Hay - It was not Mr Davy Commr who was in the Dhy Commr's line

25

4. Major Hay solicits a reconsideration of that part of the Chief Commr's orders which authorizes a deduction in favor of purchasers of more than 20 gallons, of 2 Annas in the rupee of the sale price, inasmuch as the annual loss to Govt. involved in the concession is a very serious one, it being estimated by the Dy. Commr at upwards of 9715 Rupees. He further adds that there is no necessity for the indulgence since "in practice the whole-"sale vendors did not get "the benefit of the deductions "as it was taken by the Distillers "and the profits to the retail "vendors are believed to be "ample". If any doubt exists on this point, the Commr suggests that the strength of the spirits as retailed might be fixed at 25 degrees below proof. Major Hill supports the above ~~xxx~~ view by remarking that hitherto less than 20 gallons of arrack has not been issued from the Distillery and it would entail much inconvenience were Govt. to sell it now in smaller quantities

5. In conclusion, the Commr requests sanction to the marginally noted Establishment which is said to be absolutely necessary and which appears to have been entertained in anticipation of sanction. The extra cost involved in the proposal is Rs. 79 per month or Rs. 948 per annum.

No.	Rank	Present pay Rs	Proposed pay Rs	Increase per month Rs
1.	Mootsuddy . . .	25	30	5
1.	Jestor . . .	15	20	5
4.	Peons @ 7 Rs each	28	28	"
	Contingencies . .	2	5	3.
1.	Inspection Darogha	35	40	5.
2.	Peons @ 8 Rs each	12	14	2.
1.	Storekeeper ——	"	50	50.
1.	Duffadar ——	"	9	9
	Total	117	196	79

6. If the Commr has since obtained Mr. Arathoon's consent to supply liquor at 13 Annas per gallon, the rate in question may be sanctioned. This consent should be reduced to writing.

7. The practice of granting a remission of 2 annas in the rupee of the price to purchasers of above 20 gallons has long been in force in the province and it is, I think an inducement to people purchasing liquor and conveying it to long distances in the District. This indulgence should be shewn ~~indiscriminately~~ to all purchasers without reference to their being wholesale or retail vendors.

8. I would not permit the vendors to reduce the strength

lead to all kinds of smuggling and fraud.

8. The establishment asked for may be sanctioned temporarily pending the revision of the Abkary Establishment as stated in clause 3 of para 8 of the Chief Commr's Proceedings No. 5216 dated 16th October 74.
A.37

B Spencer 6/3

9/4/75

In Proceedings No 9242 / Rev 383 of 18 March 1875, the Asst Commr forwards the Excise Abstract for the manufacture at Palkully Shops & Sales of Govt. ch 14 Annas per gallon, both Palkully Shops & Sales of Govt. ch 14 Annas per gallon, both the Shops supplied of 19° below proof - In Para 5 of the Asst order, it was observed that the Shops at which the liquor shall be sold & ~~to be~~ Vendors should be reduced to 22° below proof. Acting upon the latter direction the Commr has entered into an agreement with the Palkully Contr; based on the assumption that the liquor to be manufactured & delivered by Govt shd be 22° below proof; and the price has been proportionately reduced to Annas 13.6 - but Annas 13 as erroneously stated by Asst Commr.

Some confusion may be apprehended if two standards of strength are maintained, as the liquor purchased from the Contr by Govt, and another set sold by Govt to the Vendors, can it would be preferable, if practicable, to manufacture and sell to reduce the strength of the liquor manufactured and sold to 25° below proof; the price of sale to Govt being reduced to 12 Annas per gallon. The strength is kept at present under the Madras Abkary Rules, as stated in Para 15 of the Commr's letter dated 13th Nov 25 of 7th March last, the maximum & minimum strengths are 30° & 60° respectively.

determined by the Chief Comr. vide
Para 3 of the Proceedings of 18 March.
Similarly the rates of sale of the public
Depot to Licensees is 5 per gallon in the Town of Rangoon
and Rs 4. 8 per gallon in the District generally.
But under the circumstances represented
by the Comm.r as to the impracticability of
working a discount of 2 As. be accepted when
not less than 20 gallons are sold & Vendors at
a distance, I think the Vendors respective
Depots should be the public sale depots
Also Depot less than 25° below proof or more
than 22°.
The Comm.r applicable to the establishment
is marginally detailed, totalling an
increase of Rs 948 per annum, subject
to sanction.

10/5

Enclosure No 4. to Letter from Com.r Plantagenet d.d 5th Sept.r 1828.
Note by Lieut.n D.O Letter from Mr. Ingles, and further
note from Lieut.t to Offg. Sec.y Govt. dated 6th.

The strength of the liquor may very well be fixed at 22° up. So far as I can remember it used to be 19° up. and it certainly was so in the Bangalore District. Mr. Ingles evidently knows very little about the matter and I have no recollection of the conversation to which he refers. Neither he would entirely disregard the natives and has always done so, and in the Salem District I found the liquor would increase considerably in strength on the higher levels. In Salem and the Southern talooks it was as low as 60° up in some places, in the Baramahal the strength was to [illegible] 20° & 30° up, and in the Ballaghat (Coimbatore talook) it was often as strong as 15° up. This will corroborate Mr. Sub-Collector's idea that the higher levels require stronger drink. The Highlands of Scotland to wit.

The establishment must be sanctioned in

anticipation, and the approval of the Govt of India must be asked for.

The only remaining point is the 2a per rupee allowance to wholesale dealers - I have always thought this an unnecessary sacrifice of revenue, but so long as the wholesale depôts are kept up I dont quite see how we can do away with it. The retail vendor is entitled under the order of 18th Jan/78 No 9242 to have his liquor supplied to him at 41- per gall in the town & Rs 3. 8. 0 per gall in the country and the wholesale shops will practically be deserted and useless unless they can supply retail vendors at these rates. - Probably the best course will be to discontinue the so-called discount allowance - To require all removals from the Distillery to be in quantities not less than 20 gallons, and to allow also the holders of wholesale shop licences to obtain

liquor in quantities of not less than 50 gallons at say Rs 3. 14. 0 per gall if in the town & Rs 3. 0. 0 per gall if in the country. Before deciding upon the lowest we must have the Comrs opinion upon the matter as above stated -

I see I have omitted to notice the price to be paid to Mr Cruttenden - I gave them that the liquor should be taken from him at the same strength as that at which it is to be sold - whether 13. 6 is a proper deduction from 14. in consideration of the strength being 22° up. instead of 19° up I cannot say without consulting Sykes scale but this can no doubt be done in the Office and if correct the rate may be approved of pointing out Major Hay's wrought

Is not the Dy Comr also in error as to the vendors being allowed to dilute? By models of the Bengal licence to vendors was that the was a provision against dilution.

28/4.

Rec'd 187 No. 315

From The Commr. Akbar

To

Secretary to Chief Commissioner
General Department.

File No.

Serial No.

Dated 19th

Despatched Dec 1874

Received 2nd Jan 1875

ENCLOSURES NO. 2

General No. 617 1874-75

No. 258

Submits for Chief Commrs. consideration 2 communications from Mr. S. Arathoon, Managing Director of the Akbar Sugar & Rum Works Co. applying for a monopoly of the sale of arrack & Rum in the Bhagore district.

General No 617
S No 258 / 1874-75

Asst. Commissioner's Office
Mysore 19th December 74.

No 811

To

The Secretary to the
Chief Commissioner

Sir,

I have the honor to submit for the consideration of the Chief Commissioner two Communications received from Mr. S. Arathoon, Managing Director of the Ashtagram Sugar and Rum Works, Limited, applying for a monopoly of the sale of Arrack and Rum in the Mysore District.

2. A prospectus of the Company was issued Some time ago setting forth the prospect of Rs. 78,200 Profit per Annum from the Sugar Works, and Rs 22,950 from the Distillery, but this was Subsequently modified to a great extent when it was ascertained that the Returns from Sugar

are not at all likely to be remunerative and that if the concern is to pay at all: the profits must come from the Distillery

3. These were originally calculated at 50 per cent per Annum on a Capital of Rs: 2.00.000 but have now been reduced to 37 per cent which are to be obtained from Arrack and Rum, the Sugar being manufactured at a loss of Rs 15,400 per Annum. So that the Sugar and Rum Factory is nothing but a large Distillery expected to turn out 1,02,200 gallons annually instead of 90,000 as originally estimated.

4. I am not in a position to say whether the Company possesses the requisite Capital, whether the works are in a fit state to turn out 1,02,200 Imperial Gallons annually, or where it is proposed to sell this large quantity of liquor as the average consumption of the Mysore District has lately varied from 21 to 25,000 gallons annually, an amount apparently insufficient to maintain the Factory.

5 It would further be as well to

any unexpected cause there was a failure to supply the Retail Sellers in accordance with the obligation of the Company, in which case the Government would lose the Still head duty for the time being, every Retail Seller would have a right to sue for loss and the Consumers would be without their accustomed Supply.

6. The pecuniary advantages held out to the Government seem to be that the deduction for wastage now allowed at 5 and 4 annas per gallon would be paid in addition to the Still-head-duty and that the cost of the Government Establish-ment would be paid by the Company

7. Although the deduction for wastage has been allowed since the Establishment of the Sudder Distillery System, I do not find that it has been Sanctioned by the Chief Commissioner. — — — — — —

— — There is no necessity for it and it should be abolished at the close of the year.

8 The main arguments in favor of the Pallully

Pallully Distillery are of a general nature viz- that Sugar-Cane cultivation will be stimulated and that money will be put in circulation. The cultivation of Sugar-Cane is practically limited by the water that can be supplied and by the necessity for rotating the crop with paddy, and it will be some time before the Channels are put in such order as to admit of the maximum area coming under cultivation. In the meantime the price is sufficiently remunerative to induce every ryot who can raise cane to do so.

9. The Company do not say that their Single Distillery would require more Jaggory for the manufacture of an equal quantity of liquor than the existing distilleries and I believe that the reverse is the case. If the Factory creates in this Division a greater demand for Jaggory, it can only be by manufacturing liquor for other localities, and as I observed above I know nothing of their prospects in this point.

10. The Establishment of a well

2/

conducted Factory on a large scale is no doubt desirable but as a matter of fact native consumers prefer native distilled liquor, and in its present form the proposal is open to the remarks I have offered regarding the advantages represented as accompanying its acceptance.

I have the honor to be,
Sir,
Your most Obedient Servant

Commissioner

Clause 2 of para 2 of the Chief Commrs.
Proceedings No. 5063 of 12th September 1874.
R.87

Where such shops are sanctioned, the exemption of 2 annas in the Rupee leviable as Still-head duty, will continue to be conceded in all quantities in excess of 20 Gallons taken by them from the sudder distillery such exemption being subject to revision hereafter if thought necessary by Government. ——

Copy."

General
1875.

No 7629
307

From

To The Commissioner of the Nilgiris Ootacamund Dover

Dated 20th January

Despatched 21st " "

Received

ENCLOSURES NO.

General No. 7629 } 1874/75
Sec. No. 307 }

Adverting to letter No 617/258 dated 19th Dec. 1874 conveying the Chief Comr's observations on the application of the Sugar & Rum Works Coy. for a Monopoly of the Sale of Arrack & Rum in the Coimbatore District.

From Mr Comm. No. 13/25

9.

To
The Comm. Ashtagram.

Ashtagram | Comrs
Letter No. 617 - 258. 87.
19th Dec. 1874.

Letter

19th Dec./74 Jany
[illegible] letter No 617/258 of 19th Dec. thereon.
directed to communicate the following observations.

Before proceeding to record the Chf: Comr's orders on the foregoing letter, it should be premised that Sir R. Meade is generally not in favor of the assumption by the State of a direct concern in the sale of arrack - to which there are some grave objections - but that the peculiar circumstances of the Mysore Distillery and the probable advantages to the neighbourhood of the successful

The Ch. Commr admits that there is much force in the arguments adduced by you against the grant on the terms proposed of a monopoly for the manufacture of arrack & rum of the Ashtagram to the Company. Sir R. Meade is further opposed to the principle of the assumption. In the connection of the Company Sir R. Meade is inclined to the probable advantages to the neighbourhood of the development of the

factory seem to him
to warrant a special
treatment of the
question in this
instance. The following
measure is accordingly
authorized as an experiment
for a term of three
years from 1st April
next.

I. An offer will be
made to the Kolhapur
Co: to supply Govt. with
such quantity of arrack
as may be required
for the consumption
of the Mysore District
for the above period,
the minimum quantity
to be so available
to Govt. being 25000
Gallons annually, of
which the Govt. will

or such portion as it may require. Should it desire ~~to take~~ a larger quantity, the Co: shall be bound to supply the same at a notice of one month. The contract rate for the supply of the ~~above~~ attack should, it is considered, not exceed one rupee per gallon, but this point will be considered and reported on by the Govt.

(6) ~~IX~~ The attack so supplied will be stored by Govt. & Wholesale and Retail Shops at such rate

~~the~~ Govt ~~Govt~~ with the
approval of Govt.—
These rates should
have reference to the
price at which arack
is now ordinarily sold
at Singapore and in the
districk generally,
and should leave
a fair margin of
profit to the wholesale
and retail vendors,
who again should
be bound down to sell
the liquor to the public
at such rates as may
be fixed for that
purpose.

~~IX~~ (3) As the measure
under consideration which should be taken in hand without delay
has been advocated
chiefly in the interests
of the Palembang Factory,

devolve on it, if it accept the offer of purchasing the stock or otherwise satisfying the claims of the Stock partners who have now stills at work at the Sudden Distillery.

3 II. Should the Pathully Co: however decline to take the contract on these terms, tenders will be invited for the supply of arrack & toddy on the same condition the obligation described in the preceding para devolving on the party whose tender is accepted.

~~X~~ (C) The article
to be supplied will
be at a fixed strength
of 19° below proof
of Sykes's Hydrometer,
and a special
stipulation will
be made as to the
quality of the spirit
being unexceptionable
~~X~~ (D) The dates on
which the liquor
is to be supplied and
of the payments to
be made by Govt.,
as also the penalty
for non-fulfilment
of the terms of the
contract should be
duly considered and
settled by you
~~the Court~~ -

~~hand without delay.~~

(E) ~~VII~~. The Co: will of course be at liberty to manufacture any quantity of arrack it pleases but the sale of any within the limits of Mysore & Coorg. except to Govt. under the terms of the contract — will render it liable to the penalties laid down for a breach of the abkary laws. Kahdars for the report of its arrack across the frontier of Mysore or Coorg can be granted when required by the Govts of Mysore

~~XIII~~ 4. The question of binding the Co: & carrying on the manufacture of sugar & a minimum extent is one that should be considered by Govt. ~~the Govt.~~ but the point noted in the concluding para of Govt letter under acknowledgment, though ~~acquiesced~~ ~~decided~~ in of some importance in dealing with this question, should not, ~~the Govt. considers~~ be allowed to interfere with the proposed experiment.

order for approval

need not recur but alter by correction where necessary into letter

Fair it for issue

17

Revl 1875. No 353

From The Commissioner of Ashtagram &c

To

The Secty.

Section S.R

File No 7-7

Serial No 3

Dated 7th March /75.

Despatched

Received 9th 10"

ENCLOSURES NO.

General No. B }187
No. 25

Secretary's No. 7629/307 of 20 Jany/75

Reporting on the application of the Ashtagram Sugar and Rum Works Co. for monopoly of the sale of arrack & rum in the Mysore District.

Please see memo in bottom [illegible]

9-3-75

[illegible] No 824 of 13 [illegible]

[illegible]

13/3/75

General No B
Revenue 25 of 1874-75

18

Arrack Farmers Office

Cauvery Hosmoor 7th March 1875

To

The Secretary

to the Chief Commissioner

General Department

Bangalore

Sir,

In reply to your letter No 7629/307 of the 20th January 1875 I have the honor to submit (in original to be returned) a letter from the Deputy Commissioner of Mysore on the subject of the application of the Arrack from Sugar and Rum Mr Ho for a monopoly of the sale of arrack and Rum in the Mysore District.

Captain Shaw reports that Mr Arathoon desires to accept the terms referred to in clauses 4. 6 and 8. of your letter, but I regret that the original letter received from Mr. Arathoon has miscarried between his office and mine and not having yet been found has delayed my answer.

With reference to the price at which Government should take the Spirit from the Factory, the Deputy Commissioner considers that one Rupee per Gallon is too high as the price in Madras for liquor 30° degrees below proof is 12 Annas per imperial Gallon and he concludes that 14 Annas for Spirit 19°

below proof will afford ample profit to the Company.

4. When the Factory was in the hands of Messrs Grimes in 1861-1862 they furnished Spirit at 20° below proof at the rate of 9 annas and 6 pies per gallon. and allowing the rate to have been 10 Annas per gallon for liquor of 19° ~~in~~ 1 Rupee per gallon is a rise of 60 per cent which is more than is called for even by the general rise of prices since then. It will be observed from para 5 of their prospectus that the Company anticipate a fall in the price of cane Jaggory from 30 to 25 Rupees for 1000 candies. They also show that 14 Annas per gallon will give a return of 57 per cent on their Capital, and moreover there is no difficulty in obtaining the liquor at a lower price than one Rupee, as I have already received an offer from one of the present Distillers to supply it at 14 Annas per gallon and I am given to understand tho I cant guarantee the truth of the statement that if tenders were called for as was done in the case of the Toddy Contract they would be forthcoming at 12 Annas per gallon.

5. As the loss to Government by accepting this offer for three years will not be less than Rs 9000 and might possibly be Rupees 18,000. it is worth while to endeavor to estimate fairly the benefits to the neighbourhood which would result from the

of other Stills in favour of the Palamkully monopoly.
According to their prospectus, a single boiling which
turns out 32½ tons of sugar produces 5110 gallons of
Spirit 25° under proof and as the quantity required
for the District is gallons 25,000, it may be said that
less than 5 boilings will suffice for the supply of the
Imporie District being a fourth of the number of
boilings which the factory is calculated to make in the
year.

6. By Schedule A. of the prospectus the proportion
of cane to Date jaggory used in a single boiling is
6,300 maunds of cane to 1,000 of date i.e. 6.3 to 1 or 1/7
of date to 6/7 of cane jaggory.

I find that this is a much higher proportion of
cane jaggory than is used under the native system
of Distilling by which the proportion of sugar
cane jaggory to date is sometimes as high as
3/5 of the former to 2/5 of the latter. To produce 25,000
gallons the Factory uses 36500 maunds of jaggory
of which 31,284 maunds are said to be cane jaggory,
while to produce the same quantity of liquor the
native Stills might only require about 5216 mds.

7. The difference is 26,068 maunds and the advantage
to the ryots in the rise in price that might be occ-
asioned by the additional demand.

a rise of 8 annas a maund could scarcely be looked for, but assuming that it actually took place the additional price would be Rupees 13,000 distributed to the growers in the neighbourhood. As the Government would lose at least 3000 Rs by giving a higher price the actual advantage to the District would be about 10,000 Rs and even this is very doubtful as the company would probably continue as they now do to get jaggory from Kolar.

3. There is no particular advantage in stimulating the production of date jaggory as this involves extra working of the date palms most of which require conservation, and to have any appreciable effect on the cane cultivation of the District, the whole of the calculated working for the year Viz 20 boilings should be supplied by cane jaggory from the neighbouring Talooks of which there is no probability.

4. With reference to the price at which Government should issue the liquor to vendors and at which it should be sold by retail, Captain Shaw reports that the retail rates now prevailing are Rs 4-8-- and Rupees 5 per gallon and recommends that no distinction be drawn between wholesale and

retail vendors [illegible] but that the Government should sell to all at Rupees 3-8-- per gallon, fixing the retail price at Rupees 4-8-- per gallon in the Town of Mysore and Rupees 4 elsewhere on account of the higher charge made for licenses in Mysore than in other places.

I concur in thinking that there is no necessity for wholesale vendors, but his recommendation in favour of the Mysore vendors seems untenable as no objection has hitherto been made to the 4th Still head duty of one Rupee levied in Mysore and I consider that the same distinction which has always been made should continue.

II. Captain Shows proposal would give the following result compared with the present System if the consumption attained its maximum and excluding license fees from consideration

Sale of gallons 25,000 at 3-8-- per gallon Rs 87,500

Deduct cost of 25,000 gallons at 1 Rs per gallon 25,000

Net Rs - 62,500

Present System

Still head duty 12,000 gallons in Mysore at Rupees 3 per gallon 36,000

Ditto " 13,000 gallons elsewhere at 1-2 Rs per gallon. ——— 26,000

Rupees 62,000

It is generally calculated that the profits after the liquor has been bought and the Still head duty paid are about 4 annas per gallon to the wholesale vendor

The Retail vendor is also computed to make about 4 annas per gallon after all expenses including license fees are paid.

These profits remain the same tho the duty is raised as the Consumer ultimately pays and it seems that the price has now risen so high as considerably to check consumption. The average of 10 years is gallons 25,000 but I hear that the quantity sold during the current year is expected to be about 20 per cent less than the average or 20,000 gallons which is between 7 and 800 gallons less than in 1873-74.

If the price at which liquor is sold by Govt. be fixed at Rupees 4 for the Town of Mysore and Rupees 3-8-- elsewhere, the result at the average consumption of 25,000 gallons would be as below.

Town of Mysore 12,000 gallons at 4Rs. 48,000

Elsewhere 13,000 gallons at 3-8-- 45,500

93,500.

Deduct

Cost of gallons 25,000 at one Rupee 25,000

Net Rs 68,500

Throughout the Madras Presidency a Maximum

and minimum price has been laid down for the retail sales of Arrack, and a maximum and minimum strengths has also been prescribed ranging from 30° to 60° below proof.

16. This system which has considerable advantages might be introduced and the retail price of Arrack fixed at a maximum of Rs 5 and minimum of Rs 4-8-a in the Town of Mysore.

Elsewhere a maximum of Rs 4-8-a and minimum 4 Rs per gallon.

17. In Madras the maximum and minimum strength for retail liquor is 30° and 60° below proof and I am of opinion that here a fixing a maximum of 25° and minimum of 30° below proof would be better than allowing the liquor to be nominally sold at 19° (which is stronger than the people care to drink it) and allowing it to be watered down to suit the taste of the customers.

18. The use of standard drum measures should be enforced as soon as these can be supplied as short measure is now believed to be the rule rather than the exception.

I have the honor to be
Sir
Your most obedient servant

Excise
Commissioner

25 1875 Feb 683

From The Lyttelton Times Agency

To The Commissioner

Dated 22nd } Acknd 25 Feby
Despatched }

Received

Enclosures No.

General No. } 187
Civil No. A

Submits a full report on the subject of Ashton Lyttelton and Rimu wood Company.

Rd Sheehan

Send him up these papers & memo. Mr. Cautley's letter is not enclosed in the Ashton 24215

[illegible]

The Builder of the Telegraph in Ephy to attend office
order

ಈ ಕೆಳಗಿನ ಪ್ರಕಾರ ಸಾಲಗಳನ್ನು ಕೊಡಲಾಗಿದೆ ಮತ್ತು ಅವುಗಳ ಮೇಲೆ ಬಡ್ಡಿಯನ್ನು ಸಹ ಸೇರಿಸಲಾಗಿದೆ.

ಸಾಲಗಾರರ ಹೆಸರು	1874	1873	1872	1871	1870
ಸಣ್ಣಮಾಲಿ	ಸಣ್ಣ	ಸಣ್ಣಮಾಲಿ	ಸಣ್ಣಮಾಲಿ	ಸಣ್ಣಮಾಲಿ	ಸಣ್ಣಮಾಲಿ
ಕೆಂಚಪ್ಪ ಬಿನ್ ಮಲ್ಲಪ್ಪ	ರೂ 2000	ರೂ 1-4-ಆ	ರೂ 1-ಆ	ರೂ 17000	ರೂ 12-ಆ
ಸಿದ್ದಪ್ಪ ಬಿನ್ ಕೆಂಚಪ್ಪ	ರೂ 1-10-ಆ	ರೂ 1-8-ಆ	"	"	"
ಮಲ್ಲಪ್ಪ ಬಿನ್ ಸಿದ್ದಪ್ಪ	ರೂ 4000	ರೂ 2000	"	"	"
ಚಂದಪ್ಪ ಬಿನ್ ಮಲ್ಲಪ್ಪ	ರೂ 500	"	"	"	"
ಹನುಮಂತಪ್ಪ ಬಿನ್ ಚಂದಪ್ಪ	ರೂ 12-ಆ	"	"	"	"
ಸಣ್ಣಮಾಲಿ	ಸಣ್ಣ	ಸಣ್ಣಮಾಲಿ	ಸಣ್ಣಮಾಲಿ	ಸಣ್ಣಮಾಲಿ	ಸಣ್ಣಮಾಲಿ
ಕೆಂಚಪ್ಪ ಬಿನ್ ಮಲ್ಲಪ್ಪ	ರೂ 2000	ರೂ 1-4-ಆ	ರೂ 1-ಆ	ರೂ 17000	ರೂ 12-ಆ
ಸಿದ್ದಪ್ಪ ಬಿನ್ ಕೆಂಚಪ್ಪ	ರೂ 1-10-ಆ	ರೂ 1-8-ಆ	"	"	"
ಮಲ್ಲಪ್ಪ ಬಿನ್ ಸಿದ್ದಪ್ಪ	ರೂ 4000	ರೂ 2000	"	"	"
ಚಂದಪ್ಪ ಬಿನ್ ಮಲ್ಲಪ್ಪ	ರೂ 500	"	"	"	"
ಹನುಮಂತಪ್ಪ ಬಿನ್ ಚಂದಪ್ಪ	ರೂ 12-ಆ	"	"	"	"

ಈ ಕೆಳಗಿನ ಪ್ರಕಾರ ಸಾಲಗಳನ್ನು ಕೊಡಲಾಗಿದೆ ಮತ್ತು ಅವುಗಳ ಮೇಲೆ ಬಡ್ಡಿಯನ್ನು ಸಹ ಸೇರಿಸಲಾಗಿದೆ.

ಸಾಲಗಾರರ ಹೆಸರು — 1874 — 1873 — 1872 — 1871 — 1870

ಸಣ್ಣಮಾಲಿ — ಸಣ್ಣ — ಸಣ್ಣಮಾಲಿ — ಸಣ್ಣಮಾಲಿ — ಸಣ್ಣಮಾಲಿ — ಸಣ್ಣಮಾಲಿ

ಕೆಂಚಪ್ಪ ಬಿನ್ ಮಲ್ಲಪ್ಪ — ರೂ 2000 — ರೂ 1-4-ಆ — ರೂ 1-ಆ — ರೂ 17000 — ರೂ 12-ಆ

ಸಿದ್ದಪ್ಪ ಬಿನ್ ಕೆಂಚಪ್ಪ — ರೂ 1-10-ಆ — ರೂ 1-8-ಆ — " — " — "

ಮಲ್ಲಪ್ಪ ಬಿನ್ ಸಿದ್ದಪ್ಪ — ರೂ 4000 — ರೂ 2000 — " — " — "

ಚಂದಪ್ಪ ಬಿನ್ ಮಲ್ಲಪ್ಪ — ರೂ 500 — " — " — " — "

ಹನುಮಂತಪ್ಪ ಬಿನ್ ಚಂದಪ್ಪ — ರೂ 12-ಆ — " — " — " — "

ಸಣ್ಣಮಾಲಿ — ಸಣ್ಣ — ಸಣ್ಣಮಾಲಿ — ಸಣ್ಣಮಾಲಿ — ಸಣ್ಣಮಾಲಿ — ಸಣ್ಣಮಾಲಿ

ಕೆಂಚಪ್ಪ ಬಿನ್ ಮಲ್ಲಪ್ಪ — ರೂ 2000 — ರೂ 1-4-ಆ — ರೂ 1-ಆ — ರೂ 17000 — ರೂ 12-ಆ

ಸಿದ್ದಪ್ಪ ಬಿನ್ ಕೆಂಚಪ್ಪ — ರೂ 1-10-ಆ — ರೂ 1-8-ಆ — " — " — "

ಮಲ್ಲಪ್ಪ ಬಿನ್ ಸಿದ್ದಪ್ಪ — ರೂ 4000 — ರೂ 2000 — " — " — "

ಚಂದಪ್ಪ ಬಿನ್ ಮಲ್ಲಪ್ಪ — ರೂ 500 — " — " — " — "

ಹನುಮಂತಪ್ಪ ಬಿನ್ ಚಂದಪ್ಪ — ರೂ 12-ಆ — " — " — " — "

A. 3.

Perak No. 150

1875.

From The Commissioner Ulu

To

Secretary to Chief Commissioner,
General Department.

Secretary's File No. S. 74/74

Dated 12th

Despatched 15th

Received 16th

ENCLOSURES NO.

General No. 804. } 1874/5
Res. No. 1554.

I have this Office letter No. B. 197 dated 8th Instant referring on the subject of the Ashley grant &c. &c. Ulu Bubu Company.

With reference to the above, I have the honor to forward herewith Mr. Cattoni's letter of the 10th Ultimo to the address of the Deputy Commissioner Kinta Dungun.

The Deputy Commissioner Dungun explains that this letter had been by a mistake sent to the Officer in charge of the Survey Department.

I have &c.

Commissioner

To

Shaw

Offg. Dept. Comm.r

Mysore District.

Sir,

I have the honor to Acknowledge the Receipt of your letter No 2378 of the 28th January, Also your Docket No. 2458 of the 9th Instant, And to Express to yourself And to the chief Commissioner the thanks of the Ashtagram Sugar And Rum Works Company limited for the Concession Sanctioned, with respect to the Monopoly of the Manufacture of Rum for the Mysore District: Which Concession I am Authorized by the Directors of the Company to State that they Accept, the Conditions Named by the chief Commissioner, as to the quantity, quality, And Price of Spirits to be Supplied for the Mysore District, viz. 25.000. imperial gallons per Annum of the Strength of 19° below proof at one rupee the imperial gallon. 3 years term

Already supplied at the Annual Rate

2. With respect to the Consumption of Jaggery in the Pathully Factory for the last 5 years. I am Unable to afford any information, As this Company was formed only on the 25th of March 1874, And its business has not been developed Owing to our Awaiting a reply to our application, dated the 28th March 1874, for the Monopoly of the distillation of spirits for the Mysore District: And during the interval we have had only a few boilings of Sugar, to test the Saccharine properties of the Jaggery produced in the Neighbourhood, And Holar and Elsewhere.

3. The Capabilities of the Factory as to the Manufacture of

of Sugar and Rum are set forth in the prospectus of the Company, Copies of which were sent to the Commissioner of Ashtagram as well as to the Deputy Commissioner of Mysore District. A Copy of which is herewith sent (vide pages 7 and 8). The Company relies on the Cavery Valley in Mysore District for the Cane Jaggery, but should it fail or raise the Price too high the Company will then look to the Kolar, and other districts for the Supply of Jaggery where-ever it may be reasonable; And should the Market admit of it, I hope the not less than 600 Tons of Sugar and 90000 Gallons of Rum will be turned out Annually.

4. The Price for Cane Jaggery we are prepared to give is from 25 to 35 Rupees per 1.000 Cakes; but this is a matter dependant as the demand of Sugar, the Price of which rises and falls correspondingly with that of Jaggery.

4. With reference to Selling Rum in Bangalore and carry, that has already been sanctioned under certain restrictions by the Chief Commrs. in the Secretary's letter No. $\frac{3042}{75}$ of the 10th September 1869.

5. As the Sugar duties are now abolished in England, it is the intention of the Company to ship Sugar to Home Market And should this prove favorable, the Capabilities of the Factory will have to be Considerably increased.

I have the honor to be
Sir
Your Most obedt. Servant
Samuel J. Watkinson
Managing Director A.S.&R.W. Co. Ltd.

Bangalore
1st February

1875.

378

d
93

34

From

The Secretary to the Chief Commissioner
of Mysore.

To The Commissioner of
S. K. Ashlagram Div.

7-74

Dated 17th March 75

Despatched 19th "

Received 22

ENCLOSURES NO. 2

General No. 9179 } 187
Sl. No. 378

List of letters unanswered by this office up to the end of January 75, received with the Commrs docket No. 777 I 319 dated 5th March 75

Missing

With reference to the last entry in the above, observes that the Commrs docket No. 697-133 of the 25th January 75. was not received in this office, and returns Mr. Arathoon's application for monopoly of arrack-manufacture, received with Major Hay's letter No 617/208 dated 19th Decr last.

Missing

Required

By Order

Secretary

Letter No. B/25 dated 4th March 1875 from the Commr. of Ashtagram Division.

No. 9242 of 28th March
R 383

Section S
File No 7
Serial No 6

Recd

Order. The points raised in the foregoing letter in connection with the question of the monopoly of arrack-manufacture by the Ashtagram Sugar and Rum Works Company in the Mysore District, are

1st at what rates should the Govt purchase arrack from the Company?

2d What rates should be fixed for the sale of the liquor by Govt and for its retail vend to the public? and

3d At what strength should the liquor be issued

2. With reference to the 1st point,— The Offg Chief Commr has, on a careful consideration of the arguments set forth in paras

3 to 7 of the Commrs letter, come to the conclusion that the proposed rate of 14 Annas per gallon leaves a ~~sufficiently~~ fair larger margin for the Distillers profits, and he directs that the same be fixed as the rate at which the liquor should be supplied to Govt. ~~by the Company~~. Should the Paulhally Company, for the encouragement of whose spirit of enterprise the Govt have been pleased to sanction the experiments, involving, as it does, a deviation from the prevailing practice, decline to sell the liquor at the rate now sanctioned, tenders will be invited as in the case of the Toddy Contract, and the offer which is most profitable to Govt will be accepted.

3. The adoption of the

arrack sold to the vendor
in the town of Mysore, and
Rs. 3. 8. " to those in the
country, is sanctioned.

As regards the rate
at which the liquor should
be sold by vendors to the
public, Mr. Gordon observes
that the maximum and
minimum rates proposed
by the Commr. tend to
create confusion, and direct
that they retail rates
limited to shall be fixed at
Rs. 5/ per gallon in the town
of Mysore and Rs. 4/8/ "
per gallon elsewhere. The
difference of one rupee
between these rates and
those which the vendor
have to Govt will, it is
considered, enable the vendo
to meet all contingencies
and also obtain a fair
amount of profit

4. ~~Now that the Govt~~
~~have undertaken to supply~~
~~liquor arrack to the public~~
in the opinion of Mr. Chiffon
no difference should be

sale between wholesale &
tail purchasers as regards
the price of arrack sold to
ou. When, however, any
erson purchases more than
o gallons at a time, per
ay be allowed the present
indulgence of a deduction
t the rate of 2 annas
i the rupee ~~of still head~~
duty in order to cover loss
from leakage &c.

5. In respect to the strength
of the liquor to be issued for
sale, the Offg. Chief Commr.
considers that the present
standard of 19° below proof
is ~~rather too~~ high and
~~that~~ it admits of dilution
by the vendors without
possibility of discovery.
In the opinion of Mr. Gordon,
22° below proof is a judicious
strength to fix as lighter
spirits would not, it is believed,
suit the taste of the
drinking public generally.

The Offg Ch. Commr. requires to fix the strength at 22° below proof

degree than 22° below proof should be allowed to pass from the Distillery.

6. In order to prevent loss to Govt from deterioration which must occur if the liquor is purchased in large quantities and stored in the Govt distillery, the Company will be required to have a specified quantity always on hand and to supply it to Govt whenever called upon to do so.

7. The ~~above~~ new arrangements will be introduced from 1st April next or as soon after as possible, ~~and the Commr~~ and the Comm^r is requested to see that special supervision is provided for ~~at the outset~~ in order that the arrangements in question may be properly ~~so~~ brought into operation. It is unnecessary to urge upon Mr Chapman the importance of carefully watching the interests of Govt at the outset.

To, The Comm^r of Ashtagram &c.

M
Secretary

Revenue

To

The Commissioners

of Land Supply

&c &c &c

Encloses

Rec'd
19/3/75

½ past 11

No 924
R 383

4 pages
Enclosed

Letter from Asst Supt
Comm^r reporting on the
application of the Pantukkulli
Sugar & Rum Comp^y for a
monopoly of Arrack
manufacture in the Myso
Dist — Passing Orders thereon

Proceedings of the Chief Commissioner of Mysore, Department of Revenue, Agriculture and Commerce, 18th March 1875.

From the Commissioner of the Ashtagram Division, To the Secretary to the Chief Commissioner of Mysore, General Department, No. B.—Rev. 25 of 1874—75, dated Camp Húnsúr, 7th March 1875.

In reply to your letter No. 7629—307, dated the 20th January 1875, I have the honor to submit [in original to be returned,] a letter from the Deputy Commissioner of Mysore on the subject of the application of the Ashtagram Sugar and Rum Works Company for a monopoly of the sale of arrack and rum in the Mysore District.

2. Captain Shaw reports that Mr. Arathoon desires to accept the terms referred to in clauses A. C. and E. of your letter, but I regret that the original letter received from Mr. Arathoon was miscarried between his office and mine and not having yet been found has delayed my answer.

3. With reference to the price at which Government should take the spirit from the factory, the Deputy Commissioner considers that one rupee per gallon is too high as the price in Madras for liquor 30° degrees below proof is 12 annas per imperial gallon, and he concludes that 14 annas for spirit 19° below proof will afford ample profit to the Company.

4. When the factory was in the hands of Messrs. Groves in 1861—62, they furnished spirit at 20° below proof at the rate of 9 annas and 6 pies per gallon, and allowing the rate to have been 10 annas per gallon for liquor of 19°, 1 rupee per gallon is a rise of 60 per cent which is more than is called for even by the general rise of prices since then. It will be observed from para 5 of their prospectus that the Company anticipate a fall in the price of cane jaggory from 30 to 25 rupees for 1,000 cakes. They also shew that 14 annas per gallon will give a return of 57 per cent on their capital, and moreover there is no difficulty in obtaining the liquor at a lower price than one rupee, as I have already received an offer from one of the present distillers to supply it at 14 annas per gallon, and I am given to understand, though I cannot guarantee the truth of the statement, that, if tenders were called for as was done in the case of the toddy contract, they would be forthcoming at 12 annas per gallon.

5. As the loss to Government by accepting this offer for three years will not be less than Rs. 9,000 and might possibly be Rs. 18,000, it is worth while to endeavour to estimate fairly the benefits to the neighbourhood which would result from the abolition of other stills in favor of the Palhalli monopoly. According to their prospectus, a single boiling which turns out 32½ tons of sugar produces 5,110 gallons of spirit 25° under proof; and as the quantity required for the District is gallons 25,000, it may be said that less than 5 boilings will suffice for the supply of the Mysore District, being a fourth of the number of boilings which the factory is calculated to make in the year.

6. By schedule A of the prospectus the proportion of cane to date jaggory used in a single boiling is 6,300 maunds of cane to 1,000 of date, *i. e*, 6·3 to 1 or $\frac{1}{7}$th of date to $\frac{6}{7}$th of cane jaggory.

I find that this is a much higher proportion of cane jaggory than is used under the native system of distilling by which the proportion of sugar-cane jaggory to date is sometimes as high as $\frac{3}{5}$ of the former to $\frac{2}{5}$ of the latter. To produce 25,000 gallons the factory uses 36,500 maunds of jaggory, of which 31,284 maunds are said to be cane jaggory, while to produce the same quantity of liquor the native stills might only require about 5,216 maunds.

7. The difference is 26,068 maunds and the advantage to the ryots is the rise in price that might be occasioned by the additional demand. A rise of 8 annas a maund could scarcely be looked for, but assuming that it actually took place, the additional price would be Rs. 13,000 distributed to the growers in the neighbourhood. As the Government would lose at least 3,000 Rs. by giving a higher price, the actual advantage to the District would be about 10,000 Rs, and even this is a very doubtful matter as the Company would probably continue as they now do to get jaggory from Kolar.

8. There is no particular advantage in stimulating the production of date jaggory as this involves extra working of the date topes, most of which require conservation, and to have any appreciable effect on the cane cultivation of the District, the whole of the calculated working for the year, *viz.*, 20 boilings, should be supplied by cane jaggory from the neighbouring taluks of which there is no probability.

9. With reference to the price at which Government should issue the liquor to vendors and at which it should be sold by retail, Captain Shaw reports that the retail rates now prevailing are Rs. 4—8—0 and Rs. 5 per gallon, and recommends that no distinction be drawn between wholesale and retail vendors, but that the Government should sell to all at Rs. 3—8—0 per gallon, fixing the retail price at Rs. 4—8—0 per gallon in the Town of Mysore and Rs. 4 elsewhere on account of the higher charge made for licenses in Mysore than in other places.

10. I concur in thinking that there is no necessity for wholesale vendors, but his recommendation in favor of the Mysore vendors seems untenable as no objection has hitherto been made to the extra still-head duty of one rupee levied in Mysore, and I consider that the same distinction which has always been made should continue.

11. Captain Shaw's proposal would give the following result compared with the present system if the consumption attained its maximum and excluding license fees from consideration.

	Rs.
Sale of gallons 25,000 at 3—8—0 per gallon	87,500
Deduct cost of 25,000 gallons at 1 Re. per gallon	25,000
Net Rs....	62,500

Present System.

	Rs.
Still-head duty 12,000 gallons in Mysore at Rs. 3 per gallon.	36,000
Do 13,000 gallons elsewhere at 2 Rs. per gallon.	26,000
Total Rs....	62,000

12. It is generally calculated that the profits after the liquor has been brought and the still-head duty paid are about 4 annas per gallon to the wholesale vendor.

The retail vendor is also computed to make about 4 annas per gallon after all expenses, including license fees, are paid.

13. These profits remain the same though the duty is raised as the consumer ultimately pays, and it seems that the price has now risen so high as considerably to check consumption. The average of 10 years' is gallons 25,000, but I hear that the quantity sold during the current year is expected to be about 20 per cent less than the average or 20,000 gallons which is between 7 and 800 gallons less than in 1873—74.

14. If the price at which liquor is sold by Government be fixed at Rs. 4 for the Town of Mysore and Rs. 3—8—0 elsewhere, the result at the average consumption of 25,000 gallons would be as below.

	Rs.
Town of Mysore 12,000 gallons at 4 Rs.	48,000
Elsewhere 13,000 gallons at Rs. 3—8—0	45,500
	93,500
Deduct.—	
Cost of gallons 25,000 at one rupee	25,000
Net Rs....	68,500

15. Throughout the Madras Presidency a maximum and minimum price has been laid down for the retail sales of arrack, and a maximum and minimum strength has also been prescribed ranging from 30° to 60° below proof.

16. This system which has considerable advantages might be introduced, and the retail price of arrack fixed at a maximum of Rs. 5 and minimum of Rs. 4—8—0 in the town of Mysore.

Elsewhere a maximum of Rs. 4—8—0 and minimum 4 Rs. per gallon.

17. In Madras the maximum and minimum strength for retail liquor is 30° and 60° below proof, and I am of opinion that here a fixing a maximum of 25° and minimum of 30° below proof would be better than allowing the liquor to be nominally sold at 19° (which is stronger than the people care to drink it) and allowing it to be watered down to suit the taste of the customers.

18. The use of standard dram measures should be enforced as soon as these can be supplied, as short measure is now believed to be the rule rather than the exception.

Proceedings of the Chief Commissioner of Mysore, Department of Revenue, Agriculture and Commerce, 18th March 1875.

From the Offg. Deputy Commissioner, Mysore District, To the Commissioner of the Ashtagram Division, No. H, dated Camp Seringapatam, 22nd February 1875.

I have the honor to acknowledge receipt of your letter No. 1209 of the 25th ultimo forwarding copy of Secretary's letter No. 7629—317 of the 20th idem conveying the orders of the Chief Commissioner on the application of the Ashtagram Sugar and Rum Works Company for a monopoly of the sale of arrack and rum in the Mysore District, and calling for the submission of a report on the subject.

2. In reply, I beg to state that since sending in my report yesterday evening, I received Mr. Arathoon's reply to the references made from this Office, which is herewith sent in original. From this it will be seen that he has accepted the terms referred to in clauses A. C. and E. of the Secretary to the Chief Commissioner's letter. It now remains for me to report on clauses B. and D.

3. I regret I have not been able to obtain any reliable information in respect to the proportions now used of cane jaggory grown in this District with that purchased in Kolar, as also the quantity of date jaggory used. From the enclosed report received from the Ashtagram Amil, and from what I can learn, I am led to believe that there are about 900 acres of land under sugar-cane cultivation in the Ashtagram Taluk, from which probably about 210,000 maunds of jaggory may be obtainable ; from which at least 1 lak maunds, or 1,100 tons of refined sugar, and about the same quantity of gallons of rum, or in fact four times as much as the Company are required to provide under clause (A) of Chief Commissioner's letter, can be expected.

4. As regards the price at which jaggory must be [illegible]id for, I am of opinion that it is a question that must be left to be settled at the market rates, the Company being bound to buy at least 1 lak maunds of sugar-cane grown in this District.

5. As regards clause B, I have to state the rates [illegible] prevailing are Rs. 4½ to Rs. 5 per gallon, at which the wholesale and retail vendors sell the liquor to [illegible]e public. The Ashtagram Sugar and Rum Work Company propose to charge Government Re. 1 per [illegible]on ; this, I submit, is very high, as in Madras the price paid by Government for rum at 30° below pro[illegible] 12 annas per imperial gallon and therefore if the Government pay the Company 14 annas per impe[illegible] gallon at 19° below proof there will still be ample profit to the Company. I would further propose tha[illegible] there should be no distinction between whole-sale vendors, (who are now represented by the present dis[illegible]llers or their agents) and retail vendors, and would recommend that Government sell to all vendors at [illegible] 3—8—0 per gallon allowing the vendors in the town of Mysore authority to sell at Rs. 4—8—0 pe[illegible]lon, and other vendors at Rs. 4 : the reason for allowing the vendors in the town of Mysore a highe[illegible]lling price for their liquor is owing to their having to pay Government a much higher license fee than [illegible]ndors in taluks.

6. As regards clause D, I think it will be inexpedien[illegible]o insist on certain dates being fixed for the supply of liquor, as liquor by being kept for a long ti[illegible] deteriorates in strength and the distillers invariably have a stock in hand, which can be indented up[illegible] as Government requires a supply. Payment for same ought to be made 15 days after supply.

7. Regarding the penalty I submit that the contract[illegible] should produce a security, real or personal, in a sum of Rs. 5,000, to be forfeited on any infringemen[illegible]f any of the terms you may consider proper to draw up.

8. All the required points having now been report[illegible] upon, the question now is to ascertain the value of the stock including liquor on hand from the pres[illegible] distillers. With this view, I shall, pending your approval to this report, call upon the distillers and th[illegible] distillery Mutsaddi as well as the Amildar to make out an inventory of the things, and send it on to th[illegible]Company in view to their buying them up. I shall also intimate to the present distillers that they will have to cease work from 1st April 1875, as it is very necessary that they must have a timely warning.

9. I think it my duty to represent that since the Government undertakes to supply to the licensed vendors, it is but expedient that the strength of the Distillery Establishment be increased, as it will be too much to expect one Mutsaddi aud a testor and four peons, which is the present staff, to attend to the work satisfactorily. I would therefore propose that an Assistant Mutsaddi and at least 2 more peons should be given ; but this point may lie over until the whole matter is finally adjudicated.

10. With reference to para 4 of Mr. Arathoon's letter I am not aware of what Circular he refers to, and whether by that Circular the Palhalli factory have been allowed to send their rum to Bangalore for sale without permission.

11. In conclusion, I regret that I was unable to submit this report earlier ; but Mr. Arathoon's reply was not received by me until yesterday afternoon.

Proceedings of the Chief Commissioner of Mysore, Department of Revenue, Agriculture and Commerce, 18th March 1875.

No. 9242—Rev. 383, dated Bangalore, 18th March 1875.

Order.—The chief points raised in the foregoing letter in connection with the question of the monopoly of arrack-manufacture by the Ashtagram Sugar and Rum Works Company in the Mysore District are—

1st. At what rates should the Government purchase arrack from the Company?

2nd. What rates should be fixed for the sale of the liquor by Government and for its retail vend to the public? and—

3rd. At what strength should the liquor be issued?

2. With reference to the 1st point, the Officiating Chief Commissioner has, on a careful consideration of the arguments set forth in paras 3 to 7 of the Commissioner's letter, come to the conclusion that the proposed rate of 14 annas per gallon leaves a fair margin for the distillers' profits, and he directs that the same be fixed as the rate at which the liquor should be supplied to Government. Should the Palhalli Company decline to sell the liquor at the rate now sanctioned, tenders will be invited as in the case of the toddy contract, and the offer which is most profitable to Government will be accepted.

3. The adoption of the rates suggested by the Commissioner, *viz.*, Rs. 4 per gallon for arrack sold by Government to the vendors in the town of Mysore, and Rs. 3—8—0 to those in the country, is sanctioned.

As regards the rate at which liquor should be sold by vendors to the public Mr. Gordon observes that the maximum and minimum rates proposed by the Commissioner tend to create confusion, and directs that the retail rates shall be limited to Rs. 5 per gallon in the town of Mysore and Rs. 4—8—0 per gallon elsewhere. The difference of one rupee between these rates and the which the vendor pays to Government will, it is considered, enable the vendor to meet contingencies and also obtain a fair amount of profit.

4. When any person purchases more than 20 gallons at a time, he may be allowed the present indulgence of a deduction at the rate of 2 annas in the rupee in order to cover loss from leakage, &c.

5. In respect to the strength of the liquor to be issued for sale, the Officiating Chief Commissioner considers that the present standard of 19° below proof is unnecessarily high as it admits of dilution by the vendors without possibility of discovery. The Officiating Chief Commissioner resolves to fix the strength at 22° below proof.

6. In order to prevent loss to Government from deterioration, which must occur if the liquor is purchased in large quantities and stored in the Government distillery, the Company will be required to have a specified quantity always on hand and to supply it to Government whenever called upon to do so.

7. The new arrangements will be introduced from 1st April next or as soon after as possible, and the Commissioner is requested to see that special supervision is provided for in order that the arrangements in question may be properly brought into operation. It is unnecessary to urge upon Major Hay the importance of carefully watching the interests of Government at the outset.

Secretary.

To—The Commissioner of the Ashtagram Division.

1875.

GOVERNMENT OF MYSORE.

REVENUE.

310

To

THE COMMISSIONER OF THE
ASHTAGRAM DIVISION.

March 18th.
ached 27
ved

No. 9242.
R. 383.

No 9 dt 5th April 75
Rs 1022 4 27 dt 24/3/75

Letter from Ashtagram Commissioner re-
ng on the application of the Palhalli Sugar
Rum Company for a monopoly of arrack
ufacture in the Mysore District.—Passing
ers thereon.

Annexure Ref

J
A3

Encl 1 to No 378

From 1875.

To

Secretary to Chief Commissioner,
General Department.

Section S.R.
File No 174
Serial No 17

Dated 23rd March
Despatched
Received 25

Enclosures No.

General No. 838 of 1875.
Encl No. 342

Ajmere Docket No
617 of 378 of 17th March 1875.

Acknowledging
receipt of the two
enclosures of the above
and with reference to
the remark that "the
Bombay docket No
697 of 26th January 1875
was not received in
this office" beg to
state that the docket
in question was duly
despatched from this
office on the 26th
January as per entry
in the Ajmere Book.

Accy

Comm.

Docket No 697 of 25th Jany 1875 has not been received

31/3/75 Chitty

Put up File